GOVERNMENT OF INDIA
COAL
LOK SABHA

UNSTARRED QUESTION NO:1653
ANSWERED ON:22.08.2012
SUPPLY OF COAL
Thamaraiselvan Shri R.

Will the Minister of COAL be pleased to state:

(a) whether the Government has asked the coal companies to continue with the fuel supplies to power plants, which have been commissioned this year through the Memorandum of Understanding route;

(b) if so, the details thereof;

(c) whether the Government has asked the coal companies to continue with this arrangement till the Fuel Supply Agreement is finalized; and

(d) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF COAL (SHRI PRATIK PRAKASHBAPU PATIL)

(a) to (d): As per the instructions of 17.2.2012 issued by the Ministry of Coal, Coal India Limited (CIL) is required to conclude Fuel Supply Agreement (FSA) with the power stations that have been commissioned/would get commissioned after 1.4.2009 and on or before 31.3.2015 and are having long term Power Purchase Agreements (PPAs) with Distribution Companies (DISCOMS). Based on these instructions, CIL has modified the model FSA of 2009. Some power stations have accepted the modified FSA model and have signed FSA. There are some other power stations, which have expressed reservations on some clauses of the modified model and have not signed FSA. While the process of addressing the concerns of such power project developers has been initiated by way of reconsidering the contentious clauses, Ministry of Coal in consultation with Ministry of Power has advised CIL to supply coal for 2012-13 under the short term Memorandum of Understanding (MOU) as per the allocations made by the Central Electricity Authority (CEA).